

**Russ Dubisky, executive director of S.C. Insurance News Service.**

Response to questions from The Post and Courier about a new insurance reform bill introduced by state Sen. Tom Davis, R-Beaufort.

1) There are certainly elements of Sen. Davis' bill that we believe will serve our state well – especially the efforts to create a more competitive insurance market and attract more homeowner insurance companies to South Carolina. When companies compete for customers, South Carolinians win. A competitive insurance market in our state provides genuine consumer choice and compels companies to match rates to risk and compete for customers. We are also pleased to see that Sen. Davis' bill pays more attention to pre-disaster grants (such as the South Carolina Safe Home program) to help homeowners and communities pay for simple improvements to their buildings. When homes and businesses are stronger and more damage-resistant, it not only reduces the loss of life and property damage, it allows both homeowners and insurance companies take on less risk and insurers can pass savings along to their customers.

Despite what folks may read in your newspaper, South Carolina's rates are the 4th lowest among states in the Southeast and along the Gulf Coast for homes insured for less than \$500,000. Many public policymakers in other coastal states view South Carolina as a model for property insurance. Consumers in our state have a choice of carriers and products that are privately capitalized with a low assessment potential; this is not true of all states in our region. Several other coastal states are looking to adopt different elements of South Carolina's model.

The South Carolina insurance market has made significant improvements since 2007 when the state legislature adopted a regulatory model that focused on free-market principles and competition. We feel any new legislation should keep us on a path that promotes competition for insurance consumers. We believe Sen. Davis' bill supports free-market principles without excessive government intervention.

2) We applaud the efforts made in Sen. Davis' bill to create a more competitive insurance market and attract more property/homeowner insurance companies to South Carolina. When companies compete for customers, South Carolinians win. A competitive insurance market in our state provides genuine consumer choice and compels companies to match rates to risk and compete for customers.

3) There are elements of Sen. Davis' bill that we believe will serve our state well – namely, the efforts to provide more information, allow for more consumer choice and create a more competitive insurance market in South Carolina. We also appreciate the greater emphasis on pre-disaster grants (such as the South Carolina Safe Home program) and the bill's commitment to free-market principles without excessive government intervention.

4) We support reasonable efforts to provide more information to consumers such as those contained in Sen. Davis' legislation. While the additional data required by Sen. Davis' bill can give policyholders some pertinent information as they compare policies, consumers should be cautious about shopping on price alone. It is also important to consider the total package of coverage you receive and the reputation and record of the insurance company when it comes to customer service paying out claims. Agents are a tremendous resource for consumers and can help answer individual policy questions; we

would always recommend consulting with an agent or company when considering your insurance options.